GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:3387
ANSWERED ON:17.08.2005
DECLINE IN CAPITAL INVESTMENT IN INDUSTRIAL SECTOR
Chinta Mohan Dr. ;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of PLANNING be pleased to state:

(a) whether the fresh capital investment by the Government in the industrial sector for its future expansion is declining continuously over the previous years;

(b) if so, the reasons therefor;

(c) if not, the additional capital investment made by the Government in the industrial sector during each year from 2000-01 to 2004-05; and

(d) the steps taken by the Government for further increasing capital investment in industrial sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M. V. RAJASEKHARAN)

(a) to (c): As per National Accounts Statistics (2005) prepared by the Central Statistical Organisation (CSO), the Gross Fixed Capital Formation (GFCF) in Public Sector in the Industrial Sector has been as follows:

Year Gross Fixed Capital Formation in Industrial Sector# (Rs. Crore)

	At Current Prices	At Constant (1993-94) Prices
2000-01	49114	30827
2001-02	53067	31209
2002-03	54319	30634

= Comprising mining & quarrying, manufacturing, electricity, gas & water supply and construction

The information on capital formation is available only upto 2002-03. As may be seen, the gross fixed capital formation has increased at current prices, however, the same at constant prices shows a fluctuating trend.

(d):The Government is taking several steps to increase capital investment in industrial sector, which include following broad strategies.

? Revival and re-structuring of Public Sector Enterprises (PSEs) as per National Common Minimum Programme (NCMP).
? High priority to infrastructure sector which will also generate demand for industrial products and induce industrial investment.
? Removing the constraints in PSEs decision-making process.
? Setting-up of Investment Commission.
? Granting fiscal incentives such as lowering rates of corporate tax and import duties.